

# City of Marietta

205 Lawrence Street  
Post Office Box 609  
Marietta, Georgia 30061



## Motion Signature


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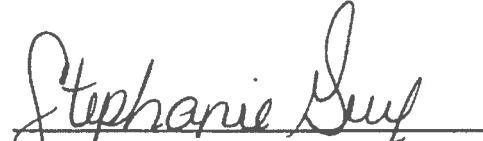
File Number: 20181313

### Nationwide 457(b) Deferred Compensation Agreement

Motion to approve the updated administrative services agreement on the 457(b) deferred compensation plan with Nationwide.

Date December 12, 2018

  
\_\_\_\_\_  
R. Steve Tumlin, Jr., Mayor

  
\_\_\_\_\_  
Stephanie Guy, City Clerk



**ADMINISTRATIVE SERVICES AGREEMENT FOR THE GOVERNMENTAL 457(b)  
DEFERRED COMPENSATION PLAN OF THE CITY OF MARIETTA, GEORGIA**

This Administrative Services Agreement ("Agreement") is effective on the date written below by and between Nationwide Retirement Solutions, Inc., a Delaware corporation ("Nationwide") and an affiliate and subsidiary of Nationwide Financial Services, Inc. (hereinafter "Nationwide"), and the City of Marietta, the Plan Sponsor (hereinafter "Plan Sponsor").

**WHEREAS**, Plan Sponsor, pursuant to and in compliance with the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), established and sponsors a Section 457(b) Plan (hereinafter the "Plan"); and

**WHEREAS**, the Plan Sponsor desires to have Nationwide perform the non-discretionary recordkeeping and administrative services for the Plan described in this Agreement (hereinafter referred to as "Administrative Services"); and

**WHEREAS**, Nationwide desires to provide such Administrative Services subject to the terms and conditions set forth in this Agreement.

**NOW THEREFORE**, Nationwide and Plan Sponsor desire to enter into this Agreement and abide by the terms therein.

**1. DESIGNATION**

The Plan Sponsor designates Nationwide as Plan Sponsor's non-discretionary provider of Administrative Services for the Plan in accordance with the terms of this Agreement.

**2. APPOINTMENTS AND RESPONSIBILITIES**

**Plan Sponsor:**

Plan Sponsor is responsible for maintaining the Plan and for maintaining the tax-qualified status of the Plan. Plan Sponsor represents and warrants that the Plan has been properly adopted and established in accordance with any applicable state or local laws or regulations governing the Plan Sponsor's ability to sponsor the Plan. Plan Sponsor warrants that the 457(b) Plan was established, and will be maintained by Plan Sponsor, in accordance with the provisions of Section 457(b) of the Code. Plan Sponsor further acknowledges and agrees the Plan Sponsor is an eligible governmental employer as defined by Section 457(e)(1)(A) of the Code.

Plan Sponsor hereby appoints Nationwide to act as the Plan Sponsor's provider of Administrative Services for the Plan. Any duties or services not specifically described herein as being provided by Nationwide are the responsibility of the Plan Sponsor, unless specifically delegated to Nationwide in the Plan document.

**Nationwide:**

Nationwide will serve Plan Sponsor, in a non-fiduciary capacity, as the provider of Administrative Services for the Plan Sponsor with respect to the Plan. Nationwide does not exercise any discretionary control or authority over the Plan or the assets of the Plan, and this Agreement does not require Nationwide to do so. Nationwide agrees to perform all Administrative Services for the Plan Sponsor with respect to the Plan as described in this Agreement. This Agreement does not

require, nor shall this Agreement be construed as requiring, Nationwide to provide investment, legal, or tax advice to the Plan Sponsor or to the participants of the Plan.

**3. TERM**

The Agreement term shall commence December 1, 2018 and end January 12, 2022, unless sooner terminated by one or both of the parties pursuant to Section 8 of this Agreement.

**4. COMPENSATION**

- A. The Plan Sponsor acknowledges that Nationwide and its affiliates receive payments in connection with the sale and servicing of investments allocated to participant Plan accounts ("Investment Option Payments"). The Investment Option Payments include mutual fund payments as described in detail at [www.nrsforu.com](http://www.nrsforu.com), and other payments received from investment option providers. In addition to the foregoing, the parties acknowledge and agree that Nationwide may receive revenue associated with annuity contracts, revenue from mutual fund providers, as well as fees associated with specific services or products.
- B. As compensation for the performance of the Administrative Services provided by Nationwide pursuant to this Agreement, the Plan Sponsor and Nationwide agree that Nationwide shall be entitled to receive an annualized compensation requirement of 0.0775% (7.75 basis points) of the Plan's account value held by Nationwide ("Compensation Requirement") to be calculated and collected according to Nationwide's standard business practices. In calculating the 7.75 basis points, the total Plan assets will include Plan balances held in the Nationwide Fixed Account and the Self-Directed Brokerage Account ("SDBA") but not balances held as outstanding participant loan balances.
- C. Nationwide's Compensation Requirement shall first be taken from the revenue Nationwide receives from the Investment Option Payments. If the Compensation Requirement is not sufficiently satisfied through Investment Option Payments, an additional asset based charge in the amount of the difference will be assessed to participant accounts based upon their account balance at the time the charge is taken.
- D. Nationwide will provide the Plan Sponsor with a quarterly Compensation Requirement report within thirty (30) Business Days after the end of each quarter. As used in this Agreement, the term "Business Day" means each Monday through Friday during the hours that the New York Stock Exchange is open for business.
- E. The Plan Sponsor directs Nationwide to establish and maintain a separate account (the "Plan Expense Account") representing that portion of the Investment Option Payments that exceed 7.75 basis points of the Plan's account value held by Nationwide. The Plan Expense Account will be funded on a quarterly basis. The Plan Sponsor will select a single investment vehicle to be used for the Plan Expense Account, which cannot be an investment vehicle included in the participant investment option line-up. The Plan Sponsor will direct Nationwide, in writing, to pay reasonable and necessary Plan expenses directly to a Plan service provider.
  - 1. When each invoice is submitted to Nationwide for payment, the Plan Sponsor shall certify in writing that the expenses represented by the invoice are reasonable and necessary Plan expenses. As the fiduciary of the Plan, the Plan Sponsor is solely responsible for making determinations with respect to the appropriateness of all

expenses of the Plan and how the Plan Expense Account is managed. Nationwide does not accept this responsibility.

2. The account balance, account transactions and investment experience of the Plan Expense Account will be reported to the Plan Sponsor no later than thirty (30) Business Days after the end of each calendar quarter.
  3. The Plan Sponsor will maintain the cumulative balance held in the Plan Expense Account at a reasonable level given the size of the Plan and the Plan's total annual expenses. Should the cumulative balance of the Plan Expense Account exceed a reasonable level, Plan Sponsor will direct Nationwide to allocate any excess accumulation to participant accounts on a pro-rata basis based on their total account balance.
  4. Notwithstanding Section 4(E)(3) above, at the direction of Plan Sponsor, any balance in the Plan Expense Account that has not been applied to pay for reasonable and necessary Plan expenses can be allocated to participant accounts on a pro-rata basis based on their total account balance on an annual basis to be mutually determined and agreed to by the parties.
- F. The Plan Sponsor acknowledges that it has received all information about compensation paid to Nationwide as the Plan Sponsor has reasonably requested and has determined that the total amount of compensation paid to Nationwide as described in this Section 4 is reasonable and appropriate for the services provided.
- G. To the extent offered under the Plan, in addition to the above described fees, Nationwide shall also receive fees with respect to a participant's use of participant loan administration, the Self-Directed Brokerage Account, and Nationwide's managed account service ("ProAccount") as follows:
- 1) Loans – If requested by the Plan Sponsor and permitted under the terms of the Plan, Nationwide will assist the Plan Sponsor in processing participant loan requests pursuant to participant loan administrative procedures approved by the Plan Sponsor and Nationwide. All participant loan fees are governed by Nationwide's Plan Loan Procedures document, a copy of which has been provided to the Plan Sponsor.
  - 2) Self-Directed Brokerage Account – The Plan offers an SDBA investment option for qualifying participants in the Plan. Initial and annual administrative fees may be charged as outlined in the separate fee agreement for the SDBA that will be provided to each participant by Nationwide.
  - 3) Nationwide ProAccount – Managed account services are offered by Nationwide Investment Advisors ("NIA"), an affiliate of Nationwide, and the Plan Sponsor must execute a separate agreement with NIA if the Plan Sponsor wants to add ProAccount to the Plan. Only participants who choose to utilize Nationwide's ProAccount managed account service are assessed fees. Such fees are authorized in a separate ProAccount agreement between the participant and NIA, and are assessed pursuant to the terms and conditions of such agreement.

Fees related to participant loans, the SDBA and Nationwide ProAccount are in addition to the Compensation Requirement for Administrative Services as provided in this Agreement.

- H. Plan Sponsor may request Nationwide and/or its affiliates to provide additional services not described in this Agreement by making such a request in writing, which Nationwide may decide to perform for compensation to be negotiated by the parties prior to the commencement of the additional services.

**5. INVESTMENT OPTIONS**

Nationwide agrees to accept contributions to the Plan for investment in the investment options selected for the Plan by the Plan Sponsor or other responsible plan fiduciary in its sole discretion and agreed to by Nationwide.

Plan Sponsor agrees to accept the terms and conditions of the annuity contracts, mutual funds, and any other investment products selected for the Plan after being provided with a copy of same.

**6. ADMINISTRATION SERVICES**

**A. PLAN DOCUMENTS**

- 1) Nationwide will provide the Plan Sponsor with an Adoption Agreement and Plan Document which has been designed to comply with the requirements of Section 457(b) of the Code. The Adoption Agreement and Plan Document will be prepared by Nationwide at the direction of the Plan Sponsor and with the understanding that it will be reviewed by the Plan Sponsor and the Plan Sponsor's tax and legal advisors prior to execution. Nationwide does not provide tax or legal advice. Plan Sponsor agrees to provide Nationwide with executed copies of the Adoption Agreement and any other related Plan documentation as requested by Nationwide.
- 2) When directed by the Plan Sponsor, or at such other times as it may determine, Nationwide will prepare and provide draft Plan amendments for review and approval by the Plan Sponsor. Such Plan amendments may include changes required to keep the Plan Document in compliance with the Code as the result of changes in federal law that affect the Plan. The Plan Sponsor will remain responsible for the accuracy and timely adoption of any Plan amendments. The Plan Sponsor is responsible for properly executing and retaining such documents and agrees to provide Nationwide with executed copies of same.
- 3) Nationwide will prepare the Adoption Agreement for review by the Plan Sponsor utilizing information and representations provided by the Plan Sponsor, which information and representations may include Plan provisions found in the prior Plan documents not prepared by Nationwide.

Plan Sponsor acknowledges that:

- a) The accuracy and completeness of the information and representations in the Adoption Agreement prepared by Nationwide, which determine the Plan's provisions used by Nationwide to administer the Plan, are the sole responsibility of the Plan Sponsor.
- b) Nationwide does not review prior Plan documents to ensure that all required amendments or restatements were properly and timely made, or that any of the prior Plan provisions are in compliance with applicable laws and regulations.

The restatement of the Plan Sponsor's Plan onto a Nationwide specimen Plan document does not retroactively correct any Plan documentary or operational errors that may have occurred prior to the date Administrative Services are provided by Nationwide.

**B. PARTICIPANT ENROLLMENT AND COMMUNICATION/EDUCATION SERVICES**

Nationwide agrees to establish an account for each Plan participant, beneficiary and alternate payee (for purposes of this Agreement only, hereinafter referred to as "participants"). For each such account, Nationwide will record and maintain the following information, provided Nationwide is provided with same:

- (a) name;
- (b) Social Security number;
- (c) mailing address;
- (d) date of birth;
- (e) current investment allocation direction;
- (f) contributions allocated and invested;
- (g) investment transfers;
- (h) benefit payments;
- (i) current account balance;
- (j) transaction history since funding under the Agreement;
- (k) contributions since funding under the Agreement;
- (l) e-mail address;
- (m) beneficiary designation;
- (n) benefit tax withholding information; and
- (o) such other information as agreed upon by the Plan Sponsor and Nationwide.

Nationwide will post and credit the amounts transmitted by the Plan Sponsor to the accounts of Plan participants in accordance with the latest instructions from participants or the Plan Sponsor (as applicable) on file with Nationwide, which instructions can include direction via electronic sources such as the website or the interactive voice response system.

Nationwide agrees to process the enrollment of employees eligible to participate in the Plan as determined by the Plan Sponsor. Nationwide also agrees to conduct enrollment meetings with Plan Sponsor's employees in such number and manner as determined by the parties. Nationwide agrees to provide twelve (12) on-site service visits annually at the City's worksites. The Plan Sponsor agrees to allow and facilitate the periodic distribution of materials to Plan participants at the time and in the manner determined by the Plan Sponsor; provided however, that all reasonable expenses associated with such distribution shall be paid by Nationwide. The Plan Sponsor further agrees to allow and facilitate the periodic distribution to its employees of materials prepared by Nationwide regarding products and services offered by Nationwide, or its affiliates, which Nationwide reasonably believes would be beneficial to such Plan participants.

**C. PLAN CONTRIBUTIONS**

Plan Sponsor agrees to send all Plan contributions to Nationwide on a timely basis that is in compliance with all applicable legal requirements. Nationwide agrees to post funds received as contributions to the Plan in accordance with the separate funding agreements between Plan

Sponsor and Nationwide or any of its affiliates when received from the Plan Sponsor in good order by Nationwide. The term "in good order," as used in this Agreement, means the receipt of required information by Nationwide, in a form deemed reasonably acceptable to Nationwide, with respect to the processing of a request or the completion of a task by Nationwide that reasonably requires information from a third-party. More specifically, Plan contributions and contribution allocation information must meet all of the following requirements in order to be deemed to be in good order:

- 1) All records must include the correct and complete participant name, Social Security number, and the amount to be credited to the participant's account(s);
- 2) The source of funds must be identified (e.g., 457(b) salary reduction, employer contribution);
- 3) The Plan name and Plan number must be clearly identified;
- 4) Both the participant allocation detail and the total contribution amount must be received, and these two totals must match each other; and
- 5) All participants making or receiving a contribution must have an active account in the Plan.

Funds may be sent by wire transfer, through an automated clearinghouse or by check in accordance with written instructions provided by Nationwide. Failure to follow the written instructions provided by Nationwide may result in delay of posting to participant accounts.

All contribution allocation information with respect to participant accounts will be provided to Nationwide in a mutually agreed upon format.

If Nationwide makes a determination that the contribution or allocation detail is not in good order, Nationwide shall notify the Plan Sponsor of such determination upon discovery. After such notification, the parties will continue to try to resolve the not in good order status, but if resolution is not achieved, Nationwide shall return the funds to the Plan Sponsor within thirty (30) Business Days. Nationwide will not be liable for any delay in posting if the Plan Sponsor fails to send the funds representing contribution amounts or contribution allocation information in accordance with Nationwide's instructions to the central processing site designated by Nationwide, or for any delay in posting that results from the receipt of funds and/or contribution allocation that Nationwide determines to be not in good order.

As used in this Agreement, the term "Business Day" means each Monday through Friday during the hours the New York Stock Exchange is open for business. No transactions can be completed on any Business Day after such time as the New York Stock Exchange closes.

The Plan Sponsor shall, upon request, timely provide all information required by Nationwide to perform its services to the Plan as described in this Agreement. The Plan Sponsor shall be responsible for ensuring that the provided information is accurate and complete. Nationwide shall be entitled to rely exclusively on the information provided by the Plan Sponsor or the Plan Sponsor's advisors, whether oral or in writing, and will have no responsibility to independently verify the accuracy of that information. The Plan Sponsor acknowledges that inaccurate and/or late information could result in tax penalties and/or participant/beneficiary legal claims. Nationwide assumes no responsibility for, and shall not have any liability for,



any consequences that result from Nationwide's inability to complete its work in the ordinary course of its business due to the failure of the Plan Sponsor to provide accurate and timely information to Nationwide.

The Plan Sponsor is responsible for providing updated information regarding Plan participants requested by Nationwide that the Plan Sponsor and Nationwide mutually agree is necessary for Nationwide to perform the Administrative Services to the Plan Sponsor under this Agreement.

Plan Sponsor agrees to be responsible for all maximum deferral limit testing.

**D. SERVICES WITH RESPECT TO PARTICIPANT PLAN ACCOUNTS**

- 1) Nationwide will provide a secure Internet site that complies with applicable data protection and privacy laws. Using this site, participants may: (i) obtain information regarding their accounts, and (ii) conduct certain routine transactions with respect to their accounts. The Plan Sponsor authorizes Nationwide to honor instructions regarding such transactions that may be submitted by a participant using the secure Internet site. Nationwide shall implement reasonable physical and technical safeguards to protect personal information made available on its Internet site. Such safeguards shall be no less rigorous than generally accepted industry practices.
- 2) Participants will have the unlimited ability to increase (within the limitations of Section 457(b) of the Code) or decrease contributions to the Plan. All requests to increase or decrease contribution amounts will be processed by Nationwide within five (5) Business Days of receipt of the request, but cannot be effective until the later of (1) the first of the calendar month following the month in which the contribution change was requested, and (2) the date the contribution change can be processed by the Plan Sponsor given Plan Sponsor's payroll processing schedule.
- 3) Participants will have the ability to exchange existing account balances, in full or in part, and to redirect future contributions from one investment option offered by the Plan to another on any Business Day, subject to Nationwide policies and any applicable restrictions or penalties applied by the investment options.
- 4) Participants will receive consolidated quarterly statements detailing their account activity and account balances for the Plan. Participants shall be informed that they must notify Nationwide of any errors within forty-five (45) days of receipt of their statements or confirmation of their investments. Nationwide will not be liable for any errors not reported within this time frame.
- 5) Nationwide agrees to deliver account statements (by U.S. mail or electronically) to participants within thirty (30) calendar days after the end of each calendar quarter. This timeframe is contingent upon Nationwide receiving fund returns from the mutual fund providers within four (4) Business Days after the end of each quarter.
- 6) Nationwide agrees to provide reports to the Plan Sponsor within thirty (30) days following the end of each calendar year quarterly reporting period (March 31, June 30, September 30, and December 31) summarizing the following:
  - a) All participant activity that transpired during the reporting period;

- b) Total contributions allocated to each investment or insurance option under the Plan; and
  - c) Total withdrawals by participant. This report shall include the amount, type and date of withdrawal.
- 7) Nationwide agrees to maintain, for a reasonable amount of time, the records necessary to produce any required reports. Plan Sponsor agrees that all related paper and electronic records shall remain the property of Nationwide.

#### E. DISTRIBUTIONS

- 1) Nationwide shall make all distributions as directed by a Plan participant or the Plan Sponsor, in accordance with the plan document. All distributions will be made pro-rata from each of the participant's investment options and money sources unless directed otherwise by the participant. Participants are responsible for selecting a form of payment from those available under the terms of the Plan and making all other elections regarding available distribution options, such as rollover elections.
- 2) Nationwide shall furnish each participant, who has received a benefit payment, tax reporting forms in the manner and time prescribed by federal and state law. Plan Sponsor shall be responsible for all tax reporting requirements for periods prior to the effective date of this Agreement, or after the termination date of this Agreement, unless otherwise agreed to in writing by the parties to this Agreement.
- 3) To the extent required by federal and state law, Nationwide will calculate and withhold from each benefit payment federal and state income taxes. Nationwide will report such withholding to the federal and state governments as required by applicable law. Plan Sponsor shall be responsible for all tax reporting requirements for periods prior to the effective date of this Agreement, or after the termination date of this Agreement, unless otherwise agreed to in writing by the parties to this Agreement.
- 4) Nationwide will provide notice and a distribution form to each participant attaining age 70½ or older in the current calendar year. The notice will inform the participant that required minimum distributions must begin no later than the April 1 of the calendar year following the later of attainment of age 70½ or retirement. All required minimum distributions will be made in accordance with the plan document.
- 5) Nationwide shall administer participant and beneficiary unclaimed property funds, including but not limited to uncashed distribution checks and death claims, in accordance with Nationwide's standard unclaimed property procedures.

#### F. QUALIFIED DOMESTIC RELATIONS ORDERS (QDROS)

If the Plan accepts Qualified Domestic Relations Orders (hereinafter "QDROs"), the Plan Sponsor directs Nationwide to process QDROs in accordance with Nationwide's standard QDRO procedures, and the Plan Sponsor hereby approves the use of such standard QDRO procedures.

#### G. UNFORESEEABLE EMERGENCY WITHDRAWALS

If the Plan offers unforeseeable emergency withdrawals, the Plan Sponsor instructs Nationwide to process all unforeseeable emergency withdrawal requests received in good order, and in a manner satisfactory to Nationwide. Withdrawals will only be permitted due to an unforeseeable emergency resulting in a severe financial hardship to the participant or beneficiary that cannot be alleviated by any other means available to the participant, in accordance with Nationwide's standard unforeseeable emergency procedures. Plan Sponsor hereby approves the use of such standard unforeseeable emergency procedures to make these determinations.

## **7. PARTICIPANT SERVICES**

### **A. WEBSITE**

Nationwide will create and maintain a website for and on behalf of the Plan Sponsor for the use of its participants. Participants may access the website via the internet at [www.nrsforu.com](http://www.nrsforu.com) to review and make changes to their accounts. The website is the exclusive property of Nationwide.

The website is available twenty-four (24) hours a day, except for routine maintenance of the system.

### **B. INTERACTIVE VOICE RESPONSE SYSTEM**

Nationwide will provide an interactive voice response (IVR) toll free telephone number, which shall be operative twenty-four (24) hours per day, seven (7) days per week, except for routine maintenance of the system.

Participants shall be able to conduct routine plan transactions and obtain account balance information through the IVR.

The Plan Sponsor authorizes Nationwide to honor participant instructions, which may be submitted using the toll-free number, either through the IVR or a live representative.

### **C. CUSTOMER SERVICE**

Nationwide's customer service representatives will be available toll-free to answer participant questions and process applicable transactions between the hours of 8:00 a.m. and 11:00 p.m. Eastern Time each Monday through Friday, and between the hours of 9:00 a.m. and 6:00 p.m. Eastern Time each Saturday, with the exception of certain holidays as dictated by the New York Stock Exchange holiday trading schedule.

## **8. TERMINATION**

Either the Plan Sponsor or Nationwide may terminate this Agreement for any reason upon providing one-hundred and twenty (120) days written notice to the other party. Provision of such written notice of termination by Plan Sponsor to Nationwide does not relieve the Plan Sponsor of any termination requirements that may be associated with specific investment options, nor does it relieve Plan Sponsor of any termination requirements associated with those investment options. Plan Sponsor further acknowledges and agrees that the Plan is responsible for any investment product liquidation fees, if applicable, and that neither Nationwide nor any of its affiliates assumes liability for any such fees.

Upon the effective date of termination of this Agreement the following shall occur:

- A. Nationwide will no longer accept contributions to the Plan except by mutual agreement of the parties.
- B. Nationwide will:
  - 1) Provide Plan Sponsor, or such other entity as the Plan Sponsor may designate in writing, with a copy of all participant records in an electronic format as mutually agreed upon between Nationwide and Plan Sponsor, within sixty (60) days after the effective date of the termination.
  - 2) Transfer any periodic distribution amounts and schedules, continuing loan repayments, or other ongoing participant transactional activity to the Plan Sponsor, or such other entity as the Plan Sponsor may designate in writing, in accordance with the time frame described above for the delivery of participant records.
  - 3) Transfer all Plan assets under its control to the Plan Sponsor or to such other entity as the Plan Sponsor may designate in writing. Nationwide agrees to provide a final accounting of all Plan assets for which Nationwide provides recordkeeping.

If the Plan is not funded within one-hundred and eighty (180) days of the date this Agreement signed by the parties, Nationwide reserves the right to terminate the Agreement by providing written notice of the termination to Plan Sponsor.

**9. DEFAULT**

In the event either party fails to perform any or all of its obligations as defined in this Agreement, the non-defaulting party shall give the defaulting party written notice, specifying the particulars of the default. If such default is not cured within sixty (60) days from the date in which notice of default is given, the non-defaulting party may terminate the Agreement in accordance with Section 8 of this Agreement.

**10. ASSIGNABILITY**

No party to this Agreement shall assign the same without the express written consent of the other party, which consent shall not be unreasonably withheld. This provision shall not restrict Nationwide's right to delegate certain services to an agent, including any affiliate, without having to obtain written consent of Plan Sponsor first. Unless agreed to by the parties, no such assignment shall relieve any party to this Agreement of any duties or responsibilities herein.

**11. CONFIDENTIALITY**

Nationwide agrees to maintain all information obtained from or related to all Plan participants as confidential. The Plan Sponsor and Nationwide agree that Nationwide, its officers, employees, brokers, registered representatives, affiliates, vendors and professional advisors (such as attorneys, accountants and actuaries) may use and disclose Plan and participant information only to enable or assist it in the performance of its duties hereunder and with other Plan-related activities, and the Plan Sponsor expressly authorizes Nationwide to disclose Plan and participant information to its agents and/or broker of record on file with Nationwide. Notwithstanding anything to the contrary contained herein, it is expressly understood that Nationwide retains the right to use any and all

information in its possession in connection with its defense and/or prosecution of any litigation which may arise in connection with this Agreement, the investment arrangement funding the Plan, or the Plan; provided, however, in no event will Nationwide release any information to any person or entity except as permitted by applicable law.

This Section 11 will survive the termination for any reason of this Agreement.

**12. CIRCUMSTANCES EXCUSING PERFORMANCE**

Neither party to this Agreement shall be in default by reason of failure to perform in accordance with its terms if such failure arises out of causes beyond their reasonable control and without fault or negligence on their part. Such causes may include, but are not limited to, Acts of God or public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine or restrictions, freight embargoes, and unusually severe weather.

Neither party shall be responsible for performing all or any portion of the services contemplated by this Agreement that are precluded by the foregoing events for such period of time as the Plan Sponsor or Nationwide are prevented from performing such services in the normal course of business. Neither Nationwide nor the Plan Sponsor shall be liable for lost profits, losses, damage or injury, including without limitation, special or consequential damages, resulting in whole or in part from the foregoing events.

“Acts of God” are defined as acts, events, happenings or occurrences due exclusively to natural causes and inevitable accident or disaster, exclusive from all human intervention.

**13. INDEMNIFICATION**

Nationwide agrees to indemnify, defend and hold harmless the Plan Sponsor, its officers, directors, agents, and employees from and against any loss, damage or liability assessed against the Plan Sponsor or incurred by the Plan Sponsor arising out of or in connection with any claim, action, or suit brought or asserted against the Plan Sponsor alleging or involving Nationwide’s non-performance of the provisions of this Agreement under Nationwide’s exclusive control, or negligence or willful misconduct in the performance of its services, duties and obligations under this Agreement. In addition, Nationwide represents, warrants and covenants that the indemnification in this paragraph is enforceable under applicable law and that Nationwide will not assert a position contrary to such representation in any judicial or administrative proceeding.

**14. PARTIES BOUND**

This Agreement and the provisions thereof shall be binding upon and shall inure to the benefit of the successors and assigns of Nationwide and the Plan Sponsor. The Plan and Plan participants are not parties to this Agreement, and Nationwide has no contractual obligations to the Plan or Plan participants. This Agreement shall be enforceable only by the parties, not by Plan participants or other third parties, and is intended to create no third-party beneficiaries.

**15. PRIVITY OF CONTRACT**

Plan Sponsor acknowledges and agrees that Nationwide and Plan participants shall have no privity of contract with each other.

16. **APPLICABLE LAW AND VENUE**

The laws of the state in which the Plan Sponsor is located shall govern the rights and obligations of the parties under this Agreement without regard to choice of law principles.

17. **MODIFICATION**

This writing is intended both as the final expression of the Agreement between the parties and as a complete statement of the terms of the Agreement. Notwithstanding anything contained herein to the contrary, this Agreement may be amended from time to time and as mutually agreed upon by the parties. Except as otherwise provided herein, no modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

Notwithstanding the above, if Nationwide determines that an amendment to this Agreement is necessary that affects more than one plan sponsor and this change is communicated in writing to all affected plan sponsors, Nationwide reserves the right to implement the amendment on a prospective basis for any Plan whose plan sponsor fails to respond to the request for written approval of the amendment in a timely fashion. Plan Sponsor hereby approves all such amendments unless a proper and timely response is made to Nationwide in regard to any Agreement modification communicated to Plan Sponsor.

18. **NO WAIVER**

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or of any other provision in this Agreement and either party may, at any time, enforce the provision previously unenforced, unless a modification to this Agreement has been executed that affects the provision previously unenforced.

19. **SEVERABILITY**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction where performance is required shall be ineffective to the extent such provision is prohibited or unenforceable without invalidating the remaining provisions, and any such prohibition or unenforceable provision in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

20. **AUTHORIZED PERSONS**

The Plan Sponsor will furnish a list to Nationwide (and from time to time whenever there are changes therein) of the individuals authorized to transmit instruction to Nationwide concerning the Plan and/or assets in the account, and written direction regarding the form of such instructions.

## 21. COMPLIANCE WITH LAWS

Both the Plan Sponsor and Nationwide agree to comply, in their respective roles under this Agreement, in all material respects with all applicable federal laws and regulations as they affect the Plan and the administration thereof. Nothing contained herein shall be construed to prohibit either party from performing any act or not performing any act as either may be required by statute, court decision, or other authority having jurisdiction thereof.

## **22. SURVIVAL OF REPRESENTATIONS, WARRANTIES AND INDEMNITY**

Notwithstanding anything to the contrary, any representations and warranties contained herein shall survive termination of this Agreement for the full period of any applicable statute of limitations that may apply to this Agreement. Further, the party making any representation or warranty shall notify the other party in writing within five (5) business days of any representation or warranty that is no longer valid. Notwithstanding anything to the contrary, any indemnity provisions contained herein shall survive the termination of this Agreement for the full period of any applicable statute of limitations that may apply to this Agreement.

## 23. HEADINGS

The headings of articles, paragraphs, and sections in this Agreement are included for convenience only and shall not be considered by either party in construing the meaning of this Agreement.

## 24. NOTICES

All notices and demands to be given under this Agreement by one party to another shall be given by certified or United States mail, addressed to the party to be notified or upon whom a demand is being made, at the addresses set forth in this Agreement or such other place as either party may, from time to time, designate in writing to the other party. Notice shall be deemed received on the earlier of three (3) days from the date of mailing, or the day the notice is actually received by the party to whom the notice was sent.

If to Nationwide: Nationwide Retirement Solutions, Inc.  
10 W. Nationwide Blvd., 05-04-101A  
Columbus, Ohio 43215

If to Plan Sponsor: City of Marietta  
205 Lawrence St NE  
Marietta, GA 30060

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the 1st day of December, 2018.

The Plan Sponsor represents and warrants they are an employer eligible to adopt a governmental plan as defined by Section 457(e)(1)(A) of the Internal Revenue Code of 1986, as amended (check one below):

(A) State of (including Commonwealth) \_\_\_\_\_

☒ (B) political subdivision of the State or Commonwealth of Georgia  
agency of (A) or (B): \_\_\_\_\_  
instrumentality of (A) or (B): \_\_\_\_\_

Nationwide Retirement Solutions, Inc.

City of Marietta  
Plan Sponsor

By: Catherine Moore

By: R. Steve Tumlin, Jr.

Name: Catherine Moore

Name: R. Steve Tumlin, Jr.

Title: AVP, RP operations

Title: Mayor

Date: 1/8/19

Date: 12/13/18



# City of Marietta

205 Lawrence Street  
Post Office Box 609  
Marietta, Georgia 30061



## Motion Signature

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File Number: 20150664

### City/BLW Deferred Compensation Plans

Motion approving updated agreements for City/BLW deferred compensation plans with addition of Roth contribution option.

Date August 12, 2015

R. Steve Tumlin, Jr.  
R. Steve Tumlin, Jr., Mayor

Stephanie Guy  
Stephanie Guy, City Clerk



**Nationwide**

**Nationwide Retirement Solutions**  
Roth Contribution Amendment to the  
Deferred Compensation Plan for Public Employees  
457 Governmental Plan and Trust

Plan Name: *City of Marietta*

Page 1 of 3

**Preamble**

1.1 Adoption and effective date of amendment - The Employer adopts this Amendment to reflect Code Section 402A, as amended by the Small Business Jobs Act of 2010 ("SBJA"). This Amendment is intended as good faith compliance with the requirements of Code Section 402A and guidance issued thereunder, and this Amendment shall be interpreted in a manner consistent with such guidance. This Amendment shall be effective as of the date specified below.

1.2 Eligible governmental 457 plan - The Employer is an eligible employer as defined in Code §457(e)(1)(A).

1.3 Supersession of inconsistent provisions - This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

**Article II: Effective Date and Unforeseeable Emergency**

2.1 Effective Date of Designated Roth Contributions - Designated Roth Contributions are permitted under the Plan as of the date this Amendment is executed below, which is no earlier than the earlier of (i) the Effective Date as defined herein or (ii) the effective date of any prior adoption of Designated Roth Contribution provisions.

2.2 Unforeseeable Emergency - If the Plan permits distributions of Elective Deferrals on account of an unforeseeable emergency, Designated Roth Contributions may be withdrawn on account of an unforeseeable emergency subject to the same qualifications that apply to Pre-tax Elective Deferrals.

**Article III: Designated Roth Contributions**

3.1 Designated Roth Contributions are permitted - The Plan's definitions and terms shall be amended as follows to allow for Designated Roth Contributions as of the Effective Date. Designated Roth Contributions shall be treated in the same manner as Deferral Contributions for all Plan purposes except as provided in Article II of this amendment. The Employer may, in operation, implement deferral election procedures provided such procedures are communicated to Participants and permit Participants to modify their elections at least once each Plan Year.

3.2 Deferral Contributions - The Plan's definition of Deferral Contributions at Section 1.08 is deleted and replaced as follows: "Deferral Contributions" means Salary Reduction Contributions, Non-elective Contributions, Matching Contributions and Designated Roth Contributions. The Employer or the Administrative Services Provider (if applicable) in applying the Code § 457(b) limit will take into account Deferral Contributions in the Taxable Year in which contributed. The Employer or Administrative Services Provider (if applicable) in determining the amount of a Participant's Deferral Contributions disregards the net income, gain and loss attributable to Deferral Contributions.

3.3 Salary Reduction Contributions - The Plan's definition of Salary Reduction Contributions at Section 1.27 is deleted and replaced as follows: "Salary Reduction Contributions" means a Participant's Elective Deferrals which are not includible in the Participant's gross income at the time deferred and have been irrevocably designated as Salary Reduction Contributions by the Participant in his or her deferral election. A Participant's Salary Reduction Contributions will be separately accounted for, as will net income, gain or loss, attributable to those Salary Reduction Contributions. All Deferral Contributions prior to this amendment are Salary Reduction Contributions.

**Nationwide Retirement Solutions**  
Roth Contribution Amendment to the  
Deferred Compensation Plan for Public Employees  
457 Governmental Plan and Trust

Plan Name:

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**3.4 Designated Roth Contributions** - "Designated Roth Contributions" means a Participant's Deferral Contributions that are includible in the Participant's gross income at the time deferred and have been irrevocably designated as Designated Roth Contributions by the Participant in his or her deferral election. A Participant's Designated Roth Contributions will be separately accounted for, as will gains and losses attributable to those Designated Roth Contributions. However, forfeitures may not be allocated to such account. The Plan must also maintain a record of a Participant's investment in the contract (i.e., designated Roth contributions that have not been distributed) and the year in which the Participant first made a Designated Roth Contribution.

**3.5 Distribution Rule** - Withdrawals (including, but not limited to, withdrawals on account of an unforeseeable emergency) from Participant's accounts may be directed by the Participant from either Salary Reduction Contributions, Designated Roth Contributions or pro rata from Salary Reduction Contributions and Designated Roth Contributions.

**3.6 Corrective distributions attributable to Designated Roth Contributions** - For any calendar year in which a Participant may make both Designated Roth Contributions and Salary Reduction Contributions, the corrective distribution from the Participant's accounts will be taken pro rata from a Participant's Salary Reduction Contributions and Designated Roth Contributions made during such calendar year. Furthermore, the Participant may elect which type of Deferral Contributions shall be distributed first.

**3.7 Loans** - If Participant loans are permitted under the Plan, all Participant Roth Accounts will be considered for the purposes of loans in accordance with this Section. Roth Accounts include the following: Designated Roth Contribution accounts, all Rollover and Transfer accounts, to the extent those accounts constitute Roth Accounts.

For any loans made on or after the Effective Date of this Amendment, the loan policy or program is amended to enable a Participant to use a Participant's Roth Account in the calculation of the loanable amount; however, loans may not be funded from the Participant's Roth Account.

For Plans that adopt or amend a loan policy or program on or after the date of this Amendment, the Plan's loan policy or program shall govern in the event of a conflict.

**Nationwide Retirement Solutions**  
Roth Contribution Amendment to the  
Deferred Compensation Plan for Public Employees  
457 Governmental Plan and Trust

Plan Name:

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3.8 Rollovers - A direct rollover of a distribution from the Designated Roth Contribution account shall only be made to a plan which includes Designated Roth Contributions as described in Code Section 402A(e)(1) or to a Roth IRA as described in Code Section 408A, and only to the extent the rollover is permitted under the rules of Code Section 402(c).

3.8.1 The Plan shall accept a rollover contribution of Designated Roth Contributions only if it is a direct rollover from another Plan which permits Designated Roth Contributions as described in Code Section 402A(e)(1) and only to the extent the rollover is permitted under the rules of Code Section 402(c). The Employer, operationally and on a uniform and nondiscriminatory basis, may decide whether to accept any such rollovers.

3.8.2 The Plan shall not provide for a direct rollover (including an automatic rollover) for distributions from a Participant's Designated Roth Contribution account if the amounts of the distributions that are eligible rollover distributions are reasonably expected to total less than \$200 during a year. In addition, any distribution from a Participant's Designated Roth Contribution account is not taken into account in determining whether distributions from a Participant's other accounts are reasonably expected to total less than \$200 during a year. Furthermore, the Plan will treat a Participant's Designated Roth Contribution account and the Participant's other accounts as held under two separate plans for purposes of applying the automatic rollover rules. However, eligible rollover distributions of a Participant's Designated Roth Contributions are taken into account in determining whether the total amount of the Participant's account balances under the Plan exceed the Plan's limits for purposes of mandatory distributions from the Plan.

3.9 Operational Compliance - The Plan and the Administrative Services Provider will administer Designated Roth Contributions in good faith with applicable regulations or other binding authority not reflected in this amendment. Any applicable regulations or other binding authority shall supersede any contrary provisions of this Amendment

This Amendment has been executed by a duly authorized individual this 12th day of August, 2015.

By: [Signature]  
Signature

Title: City Manager

Email Address: bbruton@mariettaga.gov

Name of Plan: City of Marietta

Plan Number: 0036952-001

Effective Date of Amendment: 08-12-2015



# City of Marietta

205 Lawrence Street  
Post Office Box 609  
Marietta, Georgia 30061


## Motion Signature

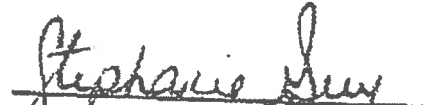
File Number: 20140671

### Addendum to 457 Deferred Compensation Plans

Motion to approve an addendum to the existing 457 Deferred Compensation Plans to allow participants to take loans from their personal accounts per the terms as set forth herein.

Date 08/13/2014

  
R. Steve Tumlin, Jr., Mayor

  
Stephanie Guy, City Clerk



**Nationwide**  
is on your side

**Nationwide Retirement Solutions**  
Governmental 457(b) Plan Loan Procedures

**Plan name:** MARIETTA GA

Nationwide Retirement Solutions, Inc. ("NRS") agrees as the Administrative Service Provider to administer loans in accordance with the terms of these Plan Loan Procedures and the attached **"Plan Election Worksheet"** (see Addendum A) as approved by the Plan Sponsor of the Plan. The Plan Sponsor directs the Plan Administrator of the Plan to administer loans in accordance with this document. The Plan Sponsor or the Plan Administrator may amend these Plan Loan Procedures within any constraints placed by NRS. Any such amendments shall bind the Plan Sponsor and the Plan Administrator. The Plan Sponsor is encouraged to consult with legal advisors in determining whether the procedures identified herein are appropriate for the Plan.

The Plan Sponsor and Plan Administrator (collectively the "Client") acknowledge that NRS may need to make changes from time-to-time to the administrative procedures set forth herein and may request amendments to the Plan documents to maintain the Plan's Loan Program. In such a case, NRS will provide the Client with timely notice of such changes as they become necessary.

The following Plan Loan Procedures shall govern Participant loans offered in the Plan Sponsor's 457(b) Plan ("Plan"):

1. **Loan Administration** – Client delegates to NRS certain administrative duties regarding the administration of loans from the Plan, which are set forth herein and which may be modified by NRS upon timely notice to and acceptance by the Plan Sponsor.
2. **Loan Eligibility** - Any Plan Participant, who falls into one of the employee statuses that the Client has elected, is eligible for a loan from the Plan. Each Participant is entitled to one outstanding loan from the Plan at any time. In addition, a Participant who has defaulted on a previous loan shall not be eligible for another loan from the Plan until all defaulted loans are repaid in full, including accrued interest.
3. **Loan Initiation and Loan Application** - In order to receive a loan from the Plan, an eligible Participant must complete all required documents provided in the Loan Application and return them to NRS. Before a loan is issued, the Participant must enter into a legally enforceable Loan Agreement as provided by NRS in the Loan Application, on behalf of the Plan. A loan initiation fee will be deducted from the Participant's account(s) after the loan has been funded by the Participant's account(s).
4. **Loan Security** - By accepting a loan, the Participant is giving the Plan a security interest in his or her vested Plan balance equal to the total loan amount, but not to exceed 50% of the Participant's vested Plan balance.
5. **Loan Money Source** - A loan shall be modeled taking into account the Participant's entire Plan account balance. Loans shall be funded only from a Participant's available Plan account pre-tax money sources. To the extent that a Participant has a self-directed brokerage account, no funding from such self-directed brokerage account shall be permitted.
6. **Minimum and Maximum Loan Term** - The minimum and maximum loan term over which a loan may be repaid is the term elected by the Client. Except as otherwise provided herein, the maximum loan term shall not exceed 5 years.

# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

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Plan name: MARIETTA GA

**7. Minimum/Maximum Loan Amount** - The minimum loan amount permitted shall be the amount elected by the Client. The maximum amount of any loan permitted under the Plan shall comply with Section 72(p) of the Internal Revenue Code and (when added to the outstanding balance of all other loans from all plans sponsored by the same employer) is the lesser of (i) \$50,000, reduced by the excess (if any) of (A) the highest outstanding balance of loans from all plans sponsored by the same employer, during the one-year period ending on the day before the date on which the loan was made over (B) the outstanding balance of loans from all plans sponsored by the same employer, on the date on which the loan is made, or (ii) one half of the present value of the Participant's vested account balance.

**8. Loan Amortization** - Each loan shall be amortized with interest accruing immediately, with repayments beginning approximately 30 days from the date the loan is processed, in substantially equal repayments consisting of principal and interest during the term of the loan. Repayments of principal and interest shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. The amount of the final payment may be higher or lower depending upon the Participant's repayment history.

**9. Loan Repayment** - Repayment of any loan made to a Participant shall be made in a manner and pursuant to the terms set forth in the Loan Agreement. Loans must be repaid according to the repayment method elected by the Client. The Participant receiving a loan shall be required to furnish the information and authorization necessary to effectuate the foregoing repayments prior to the commencement of a loan. In the event that a Participant elects to receive a distribution from the Plan that is less than 100% of his outstanding account balance at a time when such person has a loan outstanding, the Participant shall continue to make repayments on the loan.

**10. Loan Prepayment** - The entire amount of a loan, including outstanding principal and any accrued interest, may be paid without penalty prior to the end of the term of the loan in the manner prescribed by NRS.

**11. Loan Overpayment** - In the event that NRS receives a loan overpayment, any amount over the repayment amount due will be applied or refunded according to the administrative policies of NRS.

**12. Cure Period** - If a Participant fails to make a loan repayment when due, the missed repayment must be made within the cure period elected by the Client.

**13. Default** - If any repayment is not received by NRS by the end of the cure period, the entire amount of the loan will be defaulted and treated as a deemed distribution, effective as of the end of the cure period elected by the Client. A deemed distribution is treated as a distribution from the Plan for federal (and possibly state or local) income tax purposes; therefore amounts treated as a deemed distribution will be subject to federal, state and/or local income taxes, and certain excise taxes and penalties may apply. NRS will issue a Form 1099-R to the Participant reflecting the deemed distribution. Any payment made on a defaulted loan will be applied to the outstanding balance of the loan including accrued interest. Such repayment(s), following the date of default, will be treated as after tax amounts and the Participant will receive tax basis in his or her Plan account for such amounts.

The entire loan, including any accrued interest, will also be due and payable immediately in the event of the death of the Participant. The outstanding balance of the loan will be treated as a deemed distribution following the date of notification of such death provided such notification is in good order as determined by NRS.

# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

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Plan name: MARIETTA GA

**14. Loans Offered from Other Administrative Service Providers** - In the event the employer offers the Plan through multiple service providers, the Client and/or Participant and not NRS shall at all times remain responsible for ensuring that any loan received under the Plan is in accordance with the limits in Section 7. NRS shall apply the maximum loan amount limit and any other limits imposed under the Internal Revenue Code without regard to any other loans received by the Participant from any other administrative service provider(s) under this Plan or any other plan maintained by the Plan Sponsor.

**15. Suspension of Loan Repayments.**

**a. Military Leave of Absence** - A Participant's obligation to repay any loan under the Plan may be suspended as may be required by law, during the period in which the Participant is performing service in the United States military. The Participant must resume repayment of the loan upon his or her completion of military service and the outstanding loan balance, including any accrued interest and fees, must be repaid and may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations plus the period of the military service. While the Participant is on active duty in the United States military, the interest rate on the loan shall not exceed 6%, compounded annually unless the Participant elects in writing during or after his or her military leave of absence to have the loan's higher existing interest rate, if applicable, apply to the loan. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a military leave of absence.

**b. Non-Military Leave of Absence** - In addition, a Participant's obligation to repay any loan under the Plan may be suspended during the period (not to exceed one year) while the Participant is on an approved non-military leave of absence and the Participant provides requested documentation regarding the non-military leave of absence from his or her employer. The Participant must resume repayment of the loan upon the earlier of his or her return from non-military leave of absence, or one year of suspension. At such point the outstanding loan balance, including any accrued interest and fees, must be repaid or may be re-amortized over a period that does not exceed the latest permissible term for a loan under the regulations. The Plan Sponsor assumes responsibility to notify NRS when a Participant begins and returns from a non military leave of absence.

**16. Loan Interest Rate** - The interest rates for a loan shall be commensurate with interest rates being charged by entities in the business of lending money under similar circumstances. The loan interest rate will be the Prime Rate plus an additional amount expressed as a percentage elected by the Client, plus any other administrative and/or asset fees, as applicable. The Prime Rate shall be the prime rate published by the Wall Street Journal two weeks prior to the end of the most current calendar-year quarter and the new rate will be effective on the first day of the new calendar quarter. The loan interest rate may be adjusted for Participants performing service in the United States military as may be required by law (See Provision 15a.)

**17. Fees** - Fees described in these loan procedures will appear as administrative charges on Participant statements. These fees are subject to change by NRS upon reasonable notice to the Plan Sponsor.

**a. Loan Initiation Fee** - A loan initiation fee of \$50 will be deducted from the Participant's account at the time the loan is funded.

**b. Annual Loan Maintenance Fee** - An annual loan maintenance fee of \$50 will be deducted from the participant's account on the anniversary date of the original loan initiation, until the loan is repaid in full or the loan has defaulted. In the event that the loan defaults, the annual loan maintenance fee will no longer be assessed and the annual loan default fee described below (See Provision 17f) will be applied.

**c. Asset Fees** - The amount of the outstanding loan balance will be subject to the maximum asset fee, administrative charge or such other fees NRS is entitled to receive under its separate agreement with the Plan Sponsor.



# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

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Plan name: MARIETTA GA

- d. **Insufficient Funds Fee** - If NRS is unable to process an ACH debit repayment or personal check on the date due, through no fault of NRS, a fee of \$25 will be deducted from the Participant's account.
- e. **Loan Default Fee** - At the time a loan is treated as a deemed distribution, a \$50 fee will be deducted from the Participant's account.
- f. **Annual Loan Default Fee** - An annual loan default fee of \$50 will be deducted from the Participant's account on the anniversary date of the original loan default until the loan is repaid in full or offset.

18. **Loans for the Purchase of a Principal Residence** - All loans issued by the Plan will be general purpose loans to be repaid in no more than five years unless the Client elects to offer loans for the purchase of the Participant's principal residence. If the Client elects to allow loans for the purchase of a principal residence, all of the provisions of this document will apply unless otherwise specified.

19. **Loan Correction** - In the event a loan correction becomes necessary, at the Plan Sponsor's direction, NRS may undertake methods prescribed by the IRS or through any IRS correction program.

20. **Adoption of Plan Loan Procedures** - The undersigned Plan Sponsor or Plan Administrator, as applicable, hereby adopt these Plan Loan Procedures effective for loans issued on or after the Effective Date set forth below, and instructs NRS to administer loans made to Plan Participants in accordance with these terms and the Client elections made on the attached "Plan Election Worksheet" (See Addendum A). Prior to implementing a loan program, the Plan Sponsor acknowledges or acknowledged the following: (i) that the Plan Sponsor has decided to offer loans under the Plan and the Plan Administrator is instructing NRS to administer loans under the Plan; (ii) that the Plan Sponsor understands that, as a result of offering loans under the Plan, the Plan Participants could be subject to adverse tax consequences upon default of the loan; (iii) that the Plan Sponsor has independently weighed these risks, and despite the risks has determined that offering loans under the Plan is in the best interest of Plan Participants; (iv) that any previous loan procedures or loan reference documents other than the Plan Document itself, are hereby superseded by these Plan Loan Procedures; and (v) NRS shall not be liable for any adverse tax consequences described in (ii), except as specifically stated under paragraph 14 herein, resulting from the Plan Sponsor's decision to offer loans under the Plan.

Plan Sponsor Name ("Sponsor"):	William F. Bruton, Jr.
Street Address:	205 LAWRENCE ST NE
City, State, Zip Code:	MARIETTA
Signer's Email Address:	bbruton@mariettaga.gov
Plan Name ("Plan"):	MARIETTA GA
Plan Number:	0036952001
Plan Sponsor or Plan Administrator Signature:	
Title:	City Manager
Date of Adoption*:	
* Unless otherwise indicated below, the Date of Adoption shall be the Effective Date.	
Effective Date:	11 December 2015

An executed copy of these Procedures (including the attached Addendum A - Plan Election Worksheet) should be returned to Nationwide Retirement Solutions.



**Nationwide**  
is on your side

## Nationwide Retirement Solutions Governmental 457(b) Plan Loan Procedures

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### Addendum A - Plan Election Worksheet

The following provisions identify Plan elections which are incorporated and made a part of the attached "Plan Loan Procedures." In the event that an election is not made within any section, Nationwide Retirement Solutions ("NRS") will administer the loan program according to current NRS policies as listed under each provision below. The current NRS policies may be changed by NRS at any time. Unless otherwise specified, only one election is allowed per provision. The elections contained herein apply solely to the Plan. Any provisions, including limitations, do not extend to any other plans offered by the Sponsor.

#### 1. Loan Eligibility:

Plan elects to allow the following Participants the ability to initiate a loan under the Plan. The Plan Sponsor is solely responsible for informing NRS of any future changes in the Participant's employment status (check all that apply).

- ☒ Employed
- ☒ Approved Non-military Leave of Absence (only available for ACH)
- ☒ Military Leave of Absence (only available for ACH)
- ☐ Disabled (only available for ACH)
- ☐ Retired (only available for ACH)
- ☐ Terminated (only available for ACH)

**Current NRS Policy:** All listed Participant employment statuses are eligible to initiate a loan if ACH is the elected repayment method (See Provision 4). If the repayment method elected is Payroll Deduction (See Provision 4), the only eligible Participant employment status is Employed.

#### 2. General Purpose Loan Terms:

##### 2(a). Minimum Loan Term

Plan elects the following minimum loan term:

- ☐ One year
- ☒ Other – Specify minimum loan term: 6 months (not to be less than six months)

**Current NRS Policy:** The minimum loan term is one year.

##### 2(b). Maximum Loan Term

Plan elects the following maximum loan term:

- ☒ Five years
- ☐ Other - Specify maximum loan term: \_\_\_\_\_ (not to exceed a term of five years)

**Current NRS Policy:** The maximum loan term is five years.

#### 3. Minimum Loan Amount:

Plan elects to have a minimum loan amount of:

- ☒ \$1,000
- ☐ Other – Specify minimum loan amount: \$\_\_\_\_\_ (not to be less than \$500)

**Current NRS Policy:** The minimum loan amount is \$1,000.

#### 4. Repayment Method:

Plan elects to provide Participants with one of the following loan repayment methods:

- ☒ Monthly Automated Clearing House ("ACH")
- ☐ Payroll Deduction (Plan Sponsor will be required to provide a payroll calendar.

(This repayment method is limited to Employed status – see Provision 1)

**Current NRS Policy:** Monthly ACH is the repayment method.

# Nationwide Retirement Solutions

## Governmental 457(b) Plan Loan Procedures

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### Addendum A - Plan Election Worksheet

#### 5. Cure Period:

If a Participant misses a scheduled loan repayment, the missed repayment must be received by the end of the specified cure period. Plan elects to apply a cure period with the following length:

☒ 31 Days

☐ 60 Days

☐ 90 Days

☐ The quarter following the quarter in which the scheduled repayment was missed

**Current NRS Policy:** The cure period is 31 days when ACH is the elected repayment method (See Provision 4). The cure period is 60 days when the repayment method elected is Payroll Deduction (See Provision 4).

#### 6. Loan Interest Rate:

Plan elects the following interest rate for Participant loans:

☒ Prime Rate plus 1% plus applicable fees

☐ Prime Rate plus 2% plus applicable fees

☐ Prime Rate plus \_\_\_\_\_% (not to be lower than 0%) plus applicable fees

**Current NRS Policy:** Prime Rate plus 2% plus applicable fees.

#### 7. Loans for the Purchase of a Principal Residence:

7(a). Plan elects to permit loans for the purchase of the Participant's principal residence:

☐ Yes

☒ No

In the event Plan elects to allow Principal Residence loans, only one Principal Residence loan outstanding at a time is permitted. The Principal Residence loan is included in the maximum number of outstanding loans (See Provision 2 of the Plan Loan Procedures). Additionally, the Participant will be required to sign a Principal Residence Certificate and provide NRS with sufficient additional documents to support the purchase of a principal residence. Internet initiation is not available for Principal Residence loans.

**Current NRS Policy:** Principal Residence loans are not allowed.

7(b). Minimum Loan Term: Plan elects to have a minimum loan term for Principal Residence loans of:

☐ Five years

☐ Other – Specify minimum loan term: \_\_\_\_\_ (not to be less than one year)

**Current NRS Policy:** Principal Residence loans have a minimum term of five years.

7(c). Maximum Loan Term: Plan elects to have a maximum loan term for Principal Residence loans of:

☐ 15 Years

☐ Other - Specify maximum loan term: \_\_\_\_\_ (not to exceed a term of 30 years)

**Current NRS Policy:** Principal Residence loans have a maximum term of 15 years.

#### 8. Internet Utilization:

Plan elects to allow Participants to use the internet for:

☐ Only the modeling of loans

☒ Both modeling and initiation of loans

☐ Plan declines the use of the internet for either the modeling or initiation of loans

**Current NRS Policy:** Participants can use the internet for modeling and initiation of loans.

Loan initiation on the internet is limited to General Purpose loans. Principal Residence loans will not be initiated electronically. Additional limitations exist for particular repayment methods and employment statuses.

